



## Press Clipping Article

**Title:** Ethanol plant's prospects grow

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**Lead:**

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Backers of an ethanol plant that would boost the value of corn grown in Hardin County have landed the necessary investors to go ahead with the project.

Also, a nationwide demand for the clean-burning, petroleum alternative could up the plant's projected capacity by 34 million gallons a year, said Don Martin, president of Agri Fuels.

His company plans to break ground on the facility as soon as late 2006. Construction could take a little more than a year.

The plant could be a boon to grain farmers.

"We're going to buy every bit of Kentucky corn first that we can get," Martin said. The plant is expected to consume 30 million bushels of corn a year. Operators plan to draw that supply from grain fields within a 50-mile radius of Brandenburg, which is about 30 miles northwest of Elizabethtown.

Corn sales pump millions of dollars annually into the local economy, and the ethanol plant alone could drive up prices by 5 cents a bushel.

Hardin County growers produced an estimated 3 million bushels last year, the highest in a 24-county, central Kentucky district listed by the National Agricultural Statistics Service. The amount was almost three times the output of Meade County.

Trucks carrying Hardin County grain will have an easier trip to Brandenburg if Ky. 313 is extended from Vine Grove, as has been planned.

Local corn growers look forward to the opportunity.

"I think it's certainly a good thing to diversify and have nearby markets," said Richard Preston, a Glendale producer. "As fuel prices get higher, it's going to become more advantageous to ship the stuff closer and closer."

Shipping grain is one of several roles petroleum plays in the ethanol industry.

The most obvious is when oil becomes more expensive, alternatives become more desirable. Another, less known, role involves the use of petroleum-based fertilizer in corn production.

Raising corn consumes a lot of energy — more so than producing livestock does, said Hardin County extension agent Rod Grusy. So grain farmers are leaning more toward soybeans than corn this year.

But an ethanol-fueled spike in corn prices could tilt production back toward corn.

Actually, the use of petroleum to grow corn as a petroleum alternative has been an argument against the crop. But new growing practices have made it more feasible. “As technology increases, we’re getting more output from corn,” Martin said.

Another argument is that making fuel from the grain will hurt the food supply. But Martin countered this by saying the production process creates a by-product called distillers grain, edible feed that looks like Grape-Nuts.

The fuel itself will be shipped to 31 refineries in the Ohio River basin, from Pennsylvania to Tennessee.

Agri Fuels last month signed a 90-acre land option agreement with the Meade County-Brandenburg Industrial Authority for a tract along the Ohio River.

Firms in Louisville and New York will help develop the factory, which Martin said will cost \$70 million or \$80 million.

The project has received some government funds, including \$22,000 from a pool the state uses to develop alternatives to tobacco production. A national energy bill, which mandates refineries use 7.5 billion gallons of ethanol by 2012, also will be a boost.

Plans for the plant call for an output of 50 million gallons a year, but may increase to 84 million.

Corn is one of several options for converting crops into gasoline. Also in the works is an Owensboro plant that will convert soybeans into fuel. A plant in Hopkinsville already makes ethanol from corn.

“Anytime we can find a new market for our corn and soybeans, it’s a plus for our farmers,” Grusy said.

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